

SIXTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Third Regular Session)



'15 AUG 12 P3:29

SENATE

P.S. Resolution No. 1505

RECEIVED BY: J

Introduced by Senator SONNY M. ANGARA

RESOLUTION

DIRECTING THE COMMITTEE ON WAYS AND MEANS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, REGARDING THE BUREAU OF INTERNAL REVENUE'S (BIR) CORRECT INVENTORY OF ITS ACCOUNTS RECEIVABLES OR DELINQUENT ACCOUNTS, THE ACCURACY OF THE DETAILS THEREOF AND TO DETERMINE THE FACTORS AFFECTING ITS POOR PERFORMANCE IN COLLECTING ADDITIONAL REVENUES URGENTLY NEEDED TO FINANCE PRIORITY SOCIAL AND DEVELOPMENTAL PROGRAMS OF THE GOVERNMENT

WHEREAS, since 2004, the Bureau of Internal Revenue (BIR) has continuously failed to meet its annual revenue target collection set by the Development Budget Coordinating Committee (DBCC), ranging from PhP4.2 billion in 2005 to a high of PhP121.57 billion last year;

WHEREAS, for 2016, the Executive Department is proposing a national budget of PhP3.002 trillion, PhP396 billion or 15.2% higher than the 2015 approved budget of PhP2.606 trillion;

WHEREAS, in light of the said huge budgetary proposal, the government has again raised the tax collection target of the BIR. For this year, the BIR has a target of P1.721 trillion in internal revenue taxes, 16.6% higher than the target collection in 2014. Given the past performance of the BIR, it might be prudent to revisit how the BIR aims to meet its revenue target;

WHEREAS, to be able to address and fill the gaps in revenue collection, the BIR should focus on the Bureau's other possible sources of revenues that could generate several millions or even billions of Pesos instead of relying primarily on regular taxpayers who are already pressed in paying taxes;

WHEREAS, one particular source of revenues that the BIR could focus on is the Accounts Receivables or Delinquent Accounts or those amount of tax due from a taxpayer who failed to pay the same within the time prescribed for its payment¹;

¹ BIR Revenue Memorandum Order No. 11-2014 (February 7, 2014)

WHEREAS, in recognition of the increasing Accounts Receivables or Delinquent Accounts of the BIR, the Bureau implemented the Arrears Management Project (AMP) which introduced a structure of timely, appropriate, and cost effective collection actions and interventions in the management of arrears²;

WHEREAS, based on Commission on Audit's (COA) Annual Audit Report, in the end of 2012, BIR's accounts receivable from delinquent accounts from Revenue Regions 1 to 19 and Large Taxpayer Service amounted to PhP298.98 billion. However, based on the 2013 COA Report, this was substantially reduced to PhP29.85 billion;

WHEREAS, since the pilot implementation of AMP in March 2013, the BIR has been able to collect only PhP2.205 billion from four revenue regions (Makati, Manila, Quezon City and Caloocan) as of July 2014³ while the BIR Revenue Region IV in San Fernando Pampanga is running after PhP1.9 billion in delinquent accounts for Central Luzon for this year⁴;

WHEREFORE, be it resolved by the Senate of the Philippines, to direct the Committee on Ways and Means to conduct an inquiry, in aid of legislation, regarding the BIR's correct inventory of its Accounts Receivables or Delinquent Accounts, the accuracy of the details thereof and to determine the factors affecting its poor performance in collecting additional revenues urgently needed to finance priority social and developmental programs of the government.

Adopted,


SONNY M. ANGARA

² <http://www.gov.ph/2014/08/22/arrears-management-teams-amts-collect-over-p2-billion/>

³ <http://www.philstar.com/business/2014/08/25/1361300/bir-collects-over-p2b-delinquent-accounts>

⁴ <http://www.sunstar.com.ph/pampanga/local-news/2015/06/18/bir-now-after-p19-b-delinquent-accounts-413904>